

108TH CONGRESS  
2D SESSION

# H. R. 5026

To require the President to take certain actions to enforce the textiles and apparel safeguard with respect to imports from the People's Republic of China.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 8, 2004

Mr. LEVIN (for himself, Ms. PELOSI, Mr. HOYER, Mr. RANGEL, Mr. MATSUI, Mr. MENENDEZ, Mr. SPRATT, and Mr. CLYBURN) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To require the President to take certain actions to enforce the textiles and apparel safeguard with respect to imports from the People's Republic of China.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Textiles and Apparel  
5       China Safeguard Act”.

6       **SEC. 2. FINDINGS.**

7       The Congress finds the following:

1           (1) Since January 1, 2001, the United States  
2       textiles and apparel industries have lost 345,000  
3       jobs.

4           (2) Under the terms of the Agreement on Tex-  
5       tiles and Clothing of the World Trade Organization,  
6       on January 1, 2005, the United States will be re-  
7       quired to eliminate all quotas on textiles and apparel  
8       products maintained against other World Trade Or-  
9       ganization members, including the People's Republic  
10      of China.

11          (3) Job losses are expected to continue, and to  
12      accelerate after the elimination of United States  
13      quotas, with at least one study estimating that an  
14      additional 630,000 United States jobs in the textiles  
15      and apparel sector will be lost by the end of 2006.

16          (4) Many analysts believe that the People's Re-  
17      public of China's dominance of the United States  
18      textiles and apparel market will grow after the elimi-  
19      nation of quotas, with some studies indicating that  
20      imports from the People's Republic of China will ac-  
21      count for more than two-thirds of total United  
22      States consumption by 2006.

23          (5) President Clinton negotiated the right to  
24      use a special textiles and apparel safeguard as an in-  
25      tegral part of the agreement allowing the People's

1 Republic of China to join the World Trade Organi-  
2 zation. The safeguard allows the United States to  
3 impose quotas on exports to the United States of  
4 textiles and apparel products of the People's Repub-  
5 lic of China if such exports result in or threaten dis-  
6 ruption of the United States market.

7 (6) The current Administration delayed in ap-  
8 plying the special textiles and apparel safeguard by  
9 failing to implement it for 17 months after the ac-  
10 cession to the World Trade Organization of the Peo-  
11 ple's Republic of China. During this delay, exports  
12 to the United States of textiles and apparel products  
13 of the People's Republic of China increased substan-  
14 tially, while significant numbers of United States  
15 textiles and apparel workers lost their jobs.

16 (7) When the executive branch finally issued  
17 procedures to implement the safeguard on May 21,  
18 2003, those procedures severely restricted the ability  
19 of the United States textiles and apparel industries  
20 and their workers to employ the safeguard in ways  
21 not required by the Accession Agreement of the Peo-  
22 ple's Republic of China to the World Trade Organi-  
23 zation.

24 (8) To date, the executive branch has refused to  
25 self-initiate a case under the special textiles and ap-

1       parel safeguard, notwithstanding the significant in-  
2       crease in exports to the United States of textiles and  
3       apparel products of the People's Republic of China  
4       and concurrent job losses in the United States in the  
5       textiles and apparel industries.

6           (9) Large bipartisan groups of Members of the  
7       House of Representatives and Senate urged the  
8       President to support a special session of the World  
9       Trade Organization to discuss the impact that expi-  
10      ration of textiles and apparel quotas will have on  
11      trade and employment in this sector throughout the  
12      world.

13          (10) Despite studies showing major employment  
14      loss in the United States and disruptions in trade  
15      throughout the world, the President did not support  
16      such a special session at the World Trade Organiza-  
17      tion and has not created a comprehensive plan to  
18      address the expiration of the quota regime.

19          (11) As part of the Doha Round negotiations of  
20      the World Trade Organization, the President has  
21      proposed to eliminate textiles and apparel tariffs.

22   **SEC. 3. MODIFICATION OF REGULATIONS.**

23       The President shall, upon the enactment of this Act,  
24      modify the procedures for considering requests from the  
25      public for safeguard actions on imports of textiles and ap-

1   parel products of the People's Republic of China, as pub-  
2   lished in the Federal Register on May 21, 2003, so that  
3   import relief will be provided, in accordance with the Ac-  
4   cession Agreement of the People's Republic of China to  
5   the World Trade Organization, if a claim is supported by  
6   data showing that imports of textiles or apparel products  
7   of Chinese origin are, due either to market disruption, or  
8   to the threat of market disruption, threatening to impede  
9   the orderly development of trade in such products, includ-  
10  ing products not produced in the United States if such  
11  products include components of United States origin.

12   **SEC. 4. COMPREHENSIVE AGREEMENT ON TEXTILES AND**  
13                   **APPAREL PRODUCTS.**

14           The President shall, upon the enactment of this Act,  
15   initiate consultations with the People's Republic of China  
16   for the purpose of reaching an agreement with that coun-  
17   try on the application of quantitative limitations on im-  
18   ports into the United States of all textiles and apparel  
19   products that—

20           (1) are products of the People's Republic of  
21   China;

22           (2) as of September 1, 2004, are subject to  
23   quotas under the Agreement on Textiles and Cloth-  
24   ing of the World Trade Organization; and

1           (3) meet the requirements for applying safe-  
2       guards on such imports, as modified under section  
3       3.

4 **SEC. 5. IMPOSITION OF QUANTITATIVE LIMITATIONS.**

5       If, within 90 days after consultations under section  
6 4 are initiated, an agreement described in section 4 is not  
7 reached, the President shall impose the quantitative limi-  
8 tations provided for in the Accession Agreement referred  
9 to in section 3 on imports of all textiles and apparel prod-  
10 ucts that were the subject of the consultations.

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